

Montana State Legislature

2009 Session

Exhibit 1

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***“Montana Public Employees’
Retirement System Member
Handbook July 2008”***

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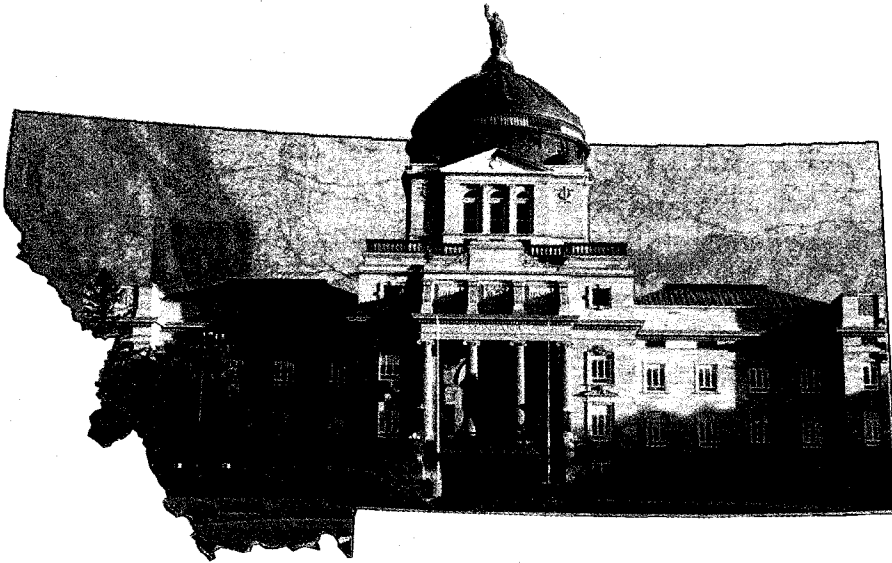
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DATE 11/9/09
HB PERS presentation

MONTANA
PUBLIC EMPLOYEES'
RETIREMENT SYSTEM
MEMBER HANDBOOK



July 2008

PUBLIC EMPLOYEES'
RETIREMENT BOARD



This is a publication of the
**MONTANA PUBLIC EMPLOYEE
RETIREMENT ADMINISTRATION**

100 North Park Avenue, Suite 200

P.O. Box 200131

Helena MT 59620-0131

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TABLE OF CONTENTS

Preface.....	6
Introduction.....	7
PERS Plan Options.....	8

Section I: Membership

1. Membership Enrollment	10
- Membership Cards	
- Optional Membership	
- Working Retiree Membership	
- Exclusion from Membership	
2. Contributions	14
- Member Contributions	
- Employer Contributions	
- Refund of Contributions	
3. Service	17
- Membership Service	
- Vesting	
- Service Credit	
- Part-time Service	
- Annual Membership Statement	
- Purchase of Service	

Section II: Benefits

1. Qualifying for Benefits	24
- Vested Members	
- Active Members	
- Inactive Vested Members	
- Non-Vested Members	
- General	
2. Retirement Benefits	26
- Service Retirement	
- Early Retirement	
- Money Purchase Benefit	
3. Disability Retirement	29
- Effective Date of Disability Benefit	
- Disability Benefit	
- Disability Reviews	
- Employment	
- Disability Benefit Cancellation	

Table of Contents (Continued)

4. Circumstances Affecting Benefits	33
- Working Retiree	
- Involuntary Termination	
- Independent Contractors	

Section III: Payment Options

1. Option 1	35
2. Option 2	38
3. Option 3	39
4. Option 4	42
5. Changes to Options	43
6. Sample Calculations	44

Section IV: Additional Information

1. Death of an Active Member	48
- Beneficiaries	
- Death Benefit Claim	
- Death Benefits or Payment	
- Death of an Inactive Member	
- Death of a Retired Member	
- Survivorship Benefit	
2. Benefit Increases	51
- GABA	
- Eligibility for and Effective Date of GABA Benefits	
- Timing for Benefit Payments	
3. Taxes on Benefits	53
- Tax Statements	
- Tax Advice	
- Taxes on Refunds	
4. Assignment of Benefits	55
- Family Law Order	
5. For More Information	56
Glossary of Terms	57

TABLES

Table 1: Early Retirement Factors	27
Table 2: Service Retirement Benefit	36
Table 3: Service Retirement Option Factors	40

Montana's Public Employees' Retirement Plans: Summary Tables

TABLE 1
BENEFIT ELIGIBILITY AND BASIC BENEFIT FORMULA

	PER'S DEFINED BENEFIT (DB) PLAN (1945)	SHERIFFS' (SRS) (1974)	MUNICIPAL POLICE (MPORS) (1974)	FIREFIGHTERS' UNIFIED (FURS) (1981)	HIGHWAY PATROL (HPORS) (1971)	GAME WARDENS' AND PEACE OFFICERS' (GWORS) (1963)	JUDGES' (JRS) (1967)
Minimum service and age requirements to receive full (unreduced) normal retirement benefit	30 yrs service, any age or 5 yrs svc and age 60 or age 65 regardless of service	20 yrs service, any age	20 yrs service, any age	20 yrs service, any age, or age 50 with 5 yrs service	20 yrs service, any age	20 yrs service and age 50 or age 55 with 5 yrs	5 yrs service and age 60
Minimum service requirement before being vested	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Service retirement benefit formula	$1/56 \times \text{HAC}^1 \times \text{yrs of service}$ (1/56 = 1.78571%) -with 25 or more years of membership service $1/50 \times \text{HAC} \times \text{yrs of service}$ (1/50 = 2.0%)	$2.5\% \times \text{HAC} \times \text{yrs of service}$	$2.5\% \times \text{FAC}^2 \times \text{yrs of service}$ Pre-7/1/77: FAC = monthly compensation of last year	$2.5\% \times \text{FAC} \times \text{yrs of service}$ Pre-7/1/81 who did not elect GABA: - with less than 20 yrs, greater of: $2.5\% \times \text{FAC} \times \text{yrs}$ or $2\% \times \text{FMC}^3 \times \text{yrs}$ - with more than 20 yrs: $50\% \times \text{FMC}$ plus 2% of FMC for each year over 20	$2.5\% \times \text{HAC} \times \text{years of service}$	$2.5\% \times \text{HAC} \times \text{years of service}$	$3.33\% \times \text{HAC} \times \text{yrs of service to 15 yrs} + 1.785\% \times \text{HAC} \times \text{years of service over 15 yrs}$ Pre 7/1/97: HAC = current salary Post 1/7/97 and those who elected GABA: HAC = highest 36 months
Benefit formula is actuarially reduced for early retirement	Yes Actuarially reduced benefit at 25 years service any age or age 50	Yes Actuarially reduced benefit at age 50 with 5 yrs service	No	No	No	No	Yes: Actuarially reduced benefit at any age with 5 yrs service, if involuntarily terminated

Source: Title 19, Montana Code Annotated, 2007

¹ HAC = highest average compensation = average compensation of the 3 highest consecutive years of service.

² FAC = final average compensation = average salary over the last 36 consecutive months of service.

³ FMC = final monthly compensation = monthly salary last received by member.

* GABA = An automatic annual Guaranteed Annual Benefit Adjustment; an annual increase in a recipient's monthly benefit amount.

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TABLE 2

DISABILITY BENEFITS

	PERS DEFINED BENEFIT PLAN	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Eligibility criteria for disability benefit	<ul style="list-style-type: none"> - at least 5 yrs of service - totally unable to perform essential tasks of covered position - permanent or of uncertain duration 	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan	same as in PERS DB plan
Non-duty-related disability benefit	<p>Pre-2/24/91: greater of 90% of normal (1.786%) formula, or 25% of HAC</p> <p>Post-2/24/91 or election: normal retirement formula (based on age 60, no actuarial reduction)</p>	Actuarial equivalent of normal (2.5%) retirement formula	<p>Pre-7/1/77: Normal (2.5%) retirement formula, but minimum of 50% of FMC</p> <p>Post-7/1/77: 50% FAC for 20 yrs or less and 2.5% FAC for each year over 20</p>	50% FAC for 20 yrs or less and 2.5% FAC for each year over 20	Actuarial equivalent of normal (2.5%) retirement formula	Actuarial equivalent of normal (2.0%) retirement formula	Actuarial equivalent of normal retirement formula (3.33% for first 15 yrs service and 1.785% after 15 years)
Duty-related disability benefit	Same as non-duty related	50% of HAC	Same as non-duty-related	Same as non-duty-related	50% of HAC	50% of HAC with at least 5 yrs of service	<p>Non-GABA: 50% of current salary of sitting judge</p> <p>With GABA: 50% of HAC</p>
Actuarial cost to plan (reported in June 30, 2008, actuarial valuation)	0.31%	0.76%	1.80%	2.03%	0.78%	0.72%	0.63%

TABLE 3

RETIREE AND BENEFIT RECIPIENT DATA
 (Based on June 30, 2008, Actuarial Valuations and MPERA data)

	PERS DEFINED BENEFIT (DB) PLAN	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWORS)	JUDGES' (JRS)
Number of benefit recipients	16,627	394	636	535	290	120	50
Average age of current retirees	72 yrs	62 yrs	66 yrs	67 yrs	68 yrs	68 yrs	80 yrs
Average retirement age	59 yrs	52 yrs	47 yrs	50 yrs	49 yrs	55 yrs	66 yrs
Average years of service at retirement	19.34 yrs	18.76 yrs	19.33 yrs	23.61 yrs	23.83 yrs	23.23 yrs	15.33 yrs
Average monthly benefit (service retirement)	\$975	\$1,756	\$2,079	\$2,387	\$2,109	\$1,760	\$3,440
Post-retirement benefit adjustments	3.0% GABA* (after 1 year) if hired before 7/1/07 1.5% GABA if hired on or after 7/1/07	3.0% GABA (after 1 year) if hired before 7/1/07 1.5% GABA if hired on or after 7/1/07	Pre-7/1/97 who did not elect GABA: 2 monthly salary of new officer All post- 7/1/97 or who elected GABA: 3.0% (after 1 year)	Pre-7/1/97 who did not elect GABA: 2 monthly salary of new firefighter All post- 7/1/97 or who elected GABA: 3.0% (after 1 year)	Pre-7/1/97 who did not elect GABA: 2% of base salary of probationary officer All post- 7/1/97 or who elected GABA: 3.0% (after 1 year)	3.0% (after 1 year) if hired before 7/1/07 1.5% GABA if hired on or after 7/1/07	Pre-7/1/97: benefits increased same as salary of sitting judge All post-7/1/97 or who elected GABA: 3.0% GABA (after 1 year)
Social security coverage	Yes	Yes	No	No	No	Yes	Yes

* GABA = An automatic annual Guaranteed Annual Benefit Adjustment, an annual increase in a recipient's monthly benefit amount.

TABLE 4

ACTIVE MEMBERSHIP DATA***(NOT including retirees and other benefit recipients)*****(Based on June 30, 2008, Actuarial Valuations)**

	PERS DEFINED BENEFIT (DB) PLAN	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Total active members	28,293	1,109	673	525	212	885	51
Average age of actives	48.4 yrs	40.2 yrs	38.5 yrs	39.0 yrs	39.7 yrs	40.4 yrs	57.2 yrs
Average years of service of actives	9.9 yrs	6.5 yrs	8.9 yrs	10.3 yrs	9.6 yrs	5.7 yrs	11.6 yrs
Average annual salary of actives	\$35,143	\$42,626	\$47,449	\$51,150	\$50,505	\$37,410	\$99,917
Number of participating employers	528	57	27	19	1	7	1
Employers= annualized payroll (2008 Valuation)	\$994.3 million	\$47.3 million	\$32.9 million	\$27.7 million	\$11.0 million	\$34.2 million	\$5.2 million

CONTRIBUTIONS, COSTS, AND ACTUARIAL DATA

(Based on June 30, 2008, Actuarial Valuations)

	PERS DEFINED BENEFIT (DB) PLAN	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Employer contribution as percentage of payroll	7.035% (1) School Districts: 6.8% State: 0.235% Local Government Employers: 6.935% State: 0.1%	9.825% (2)	14.41%	14.36%	26.15%	9.0%	25.81%
Employee contribution as percentage of salary	6.9%	9.245%	Non-GABA: Pre-7/1/75: 5.8% Pre-7/1/79: 7.0% Pre-7/1/97: 8.5% With GABA: 9%	Pre-7/1/97 not electing GABA: 9.5% Post-7/1/97 or electing GABA: 10.7%	Pre-7/1/97 not electing GABA: 9.0% Post-7/1/97 or electing GABA: 9.05%	10.56%	7%
Additional funding from other sources as a percentage of payroll	None	None	State General Fund: 29.37%	State General Fund: 32.61%	Driver's license fees: 10.18%	None	None
Total available contributions as percentage of payroll	13.935% (.04% transferred to education fund)	19.07%	52.78%	57.66%	45.38%	19.56%	32.81%
Normal costs as percentage of payroll	12.13%	19.24%	26.65%	26.15%	22.25%	18.54%	25.12%
Percentage used to fund unfunded liabilities	1.765%	0	26.13%	31.51%	23.13%	1.02%	7.69%

- (1) - On July 1, 2009, this will increase to 7.17%, the state share for school districts will increase to .37%, and the local government contribution will increase to 7.07%.
- (2) - On July 1, 2009, this will increase to 10.115%.

	PERS DEFINED BENEFIT (DB) PLAN	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWPORS)	JUDGES' (JRS)
Actuarial liabilities (rounded)	\$4.5 billion	\$205 million	\$328 million	\$287 million	\$135 million	\$83 million	\$39 million
Actuarial Value Funded ratio (rounded) (percentage of liabilities covered by reported assets)	91%	98%	65%	72%	75%	93%	157%
Unfunded liability (surplus) (rounded)	\$439 million	\$5.1 million	\$115 million	\$81 million	\$33 million	\$5.9 million	(\$23 million)
Years to amortize unfunded liability	24.9 yrs	16.3 yrs	18.6 yrs	11.3 yrs	17.4 yrs	13.0 yrs	0 (surplus)
Market value of assets (rounded)	\$3.9 billion	\$189 million	\$200 million	\$195 million	\$96 million	\$73 million	\$59 million
Market Value Funded ratio (rounded) (percentage of liabilities covered by reported assets)	85%	92%	61%	68%	71%	88%	149%

Sources: June 30, 2008, Actuarial Valuations

BLE 6
INVESTMENT DATA

* Investment objective: Meet or beat the actuarial return assumption of 8%, while outperforming the market indices for each asset class over any current 5-year period.

	PERS DEFINED BENEFIT RETIREMENT PLAN (DBRP)	SHERIFFS' (SRS)	MUNICIPAL POLICE (MPORS)	FIREFIGHTERS' UNIFIED (FURS)	HIGHWAY PATROL (HPORS)	GAME WARDENS' AND PEACE OFFICERS' (GWORS)	JUDGES' (JRS)
Amount invested, founded (market value, on 6/30/2008)	\$3.9 billion	\$188.6 million	\$191.1 million	\$185.2 million	\$96.2 million	\$73.3 million	\$56.8 million
Market rate of return for composite index, FY 2008	-5.61%	-5.56%	-5.75%	-5.66%	-5.58%	-5.51%	-5.58%
Market rate of return on the fund in 2008, all assets	-4.86%	-4.84%	-5.01%	-4.91%	-4.86%	-4.80%	-4.85%
Market rate of return for composite index, 5-year period	7.90%	7.82%	7.68%	7.72%	7.86%	7.72%	7.81%
Rate of return on the fund, 5-year period	8.47%	8.39%	8.26%	8.29%	8.44%	8.28%	8.39%
Objective relative to actuarial investment assumption met in FY 2008?	No	No	No	No	No	No	No
Objective relative to actuarial investment assumption met in 5-year period?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Asset allocation objectives: Fixed Income Real Estate Equity	22 - 32% 0 - 8% 60 - 70%	25 - 35% 4 - 8% 60 - 70%	25 - 35% 4 - 8% 60 - 70%	25 - 35% 4 - 8% 60 - 70%	25 - 35% 4 - 8% 60 - 70%	25 - 35% 4 - 8% 60 - 70%	25 - 35% 4 - 8% 60 - 70%
Actual Asset allocation: Fixed Income Real Estate Equity	25.7% 4.5% 67.7%	26.6% 4.3% 67.2%	26.9% 4.3% 68.7%	26.8% 4.3% 68.0%	26.7% 4.3% 67.9%	26.3% 4.3% 66.8%	26.6% 4.3% 67.3%
Percentage growth in total liabilities between 2007 valuation and 2008 valuation	7.2%	8.2%	5.5%	6.6%	5.0%	14.3%	7.0%
Percentage change in total assets between 2007 valuation and 2008 valuation	-6.1%	-4.1%	-5.1%	-3.0%	-6.3%	-0.1%	-5.1%

Sources: Public Employees' Retirement Board, Financial and Actuarial Reports, and Title 19, Montana Code Annotated, 2007; FY 2008 Montana Board of Investments Information.

VOLUNTEER FIREFIGHTERS' COMPENSATION ACT
(Based on June 30, 2008, Actuarial Valuation)

TABLE 7

PENSION PLAN FEATURES	VOLUNTEER FIREFIGHTERS' PENSION FUND (1965)
Minimum service and age for normal (unreduced) retirement	Age 55 and 20 years of service; or Age 60 and 10 years of service
Vested	10 years
Basic benefit formula	\$7.50 per year of service, up to maximum of \$225 per month
Disability	\$7.50 per year of service, with a minimum of \$75 per month up to a maximum of \$225 per month
Death benefit	\$7.50 per year of service (maximum of 40 months including any amounts retiree received)
Membership	1,082 retirees and beneficiaries 2,301 active members 793 vested inactive (terminated) members 4,176 total members
Average age of active members	44.6 years old
Average years of service of active members	9.2 years
Average benefit for service retirees	\$135 per month
Contributions	5% of insurance premium taxes collected (See Section 19-17-301, MCA)
Actuarial liabilities	\$32.7 million
Actuarial value of assets	\$27.5 million
Unfunded liability	\$5.2 million
Years to Amortize	5 yrs
Funded ratio	84%

PERS DEFINED CONTRIBUTION RETIREMENT PLAN (DCRP)

TABLE 8

Operational July 1, 2002.

Membership	All active PERS members will have 12 months to make a one-time, irrevocable choice between the DBRP and DCRP plans.	
Employee Contributions	6.9% of salary	
Employer Contributions	<p>7.035%* of salary allocated as follows:</p> <ul style="list-style-type: none"> -- 0.04% to an educational fund -- 2.37% to PERS DB plan as plan choice rate -- 4.19% to member accounts -- 0.3% to disability trust fund -- 0.135% to PERS DB plan to reduce the plan choice rate unfunded actuarial liability, or to the long-term disability plan trust fund once the PCR UAL is retired (increasing to 0.27% on July 1, 2009) 	
Total contributions to member accounts	11.09% of salary	
Investment choices	15 funds	
Vesting	<p>5 years for employer contributions and investment earnings on those contributions, but members have immediate control over how employer and employee contributions are invested</p>	
Benefits	<p>Contributions plus investment earnings, minus administrative expenses; payable at any time after termination, with a possible federal tax penalty for withdrawal before age 59 1/2.</p>	
Disability benefit	<p>A defined disability benefit based on a 1/56 x HAC x years of service formula, similar to what is provided in the PERS DBRP.</p>	
Death/survivorship benefit	Member's account balance	
Plan administration	<p>- PERB is the plan's board of trustees - Great West is the plan's record keeper</p>	

* On July 1, 2009, this will increase to 7.17%

Montana State Legislature

2009 Session

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MONTANA



A COMPONENT UNIT OF THE STATE OF MONTANA
COMPREHENSIVE ANNUAL FINANCIAL
REPORT



This is a publication of the
**MONTANA PUBLIC EMPLOYEE
RETIREMENT ADMINISTRATION**

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Table of Contents

Introductory Section

Letter of Transmittal	5
Public Employees' Retirement Board	12
Montana Public Employee Retirement Administration Organizational Chart	13

Financial Section

Independent Auditor's Report	15
Management's Discussion & Analysis	17
Basic Financial Statements:	
<i>Statement of Fiduciary Net Assets - Pension Trust Funds</i>	32
<i>(The notes to the financial statements are an integral part of this statement)</i>	
<i>Statement of Changes in Fiduciary Net Assets - Pension Trust Funds</i>	34
<i>(The notes to the financial statements are an integral part of this statement)</i>	
<i>Notes to the Financial Statements</i>	36
Required Supplementary Information:	
Schedule of Funding Progress.....	74
Schedule of Funding Progress for OPEB.....	76
Schedule of Employer Contributions and Other Contributions	78
Notes to the Required Supplementary Information	80
Supporting Schedules:	
Schedule of Administrative Expenses	83
Schedule of Investment Expenses	84
Schedule of Consultants	85
Detail of Fiduciary Net Assets (PERS-DBRP, PERS-DBEd)	86
Detail of Changes in Fiduciary Net Assets (PERS-DBRP, PERS-DBEd)	87
Detail of Fiduciary Net Assets (PERS-DCRP, PERS-DCEd, DC Disability).....	88
Detail of Changes in Fiduciary Net Assets (PERS-DCRP, PERS-DCEd, DC Disability)	88

Investment Section

Report on Investment Activity	89
Rates of Return by Asset Class	90
Schedules of Asset Mix.....	95
Schedule of Largest Holdings	103
Investment Summary	106

Actuarial Section

Actuary's Certification.....	111
Summary of Actuarial Assumptions and Methods.....	113
Schedule of Active Member Valuation Data	118
Schedule of Active Member Composition	120
Schedule of Retirants and Beneficiaries Added to and Removed from Rolls.....	122
Solvency Test.....	124
Summary of Actuarial (Gain)/Loss by Source	126
Summary of Defined Benefit Plan Provisions	127

Statistical Section

Summary of Statistical Data	145
Changes in Net Assets	146
History of Actuarial Accrued Liabilities	155
Schedule of Fair Values by Type of Investment	158
Schedule of Contribution Rate History	165
Schedule of Benefit Expenses and Refunds by Type	168
Schedule of Distributions Processed	172
Schedule of Retired Members by Type of Benefit	174
Distribution of Defined Benefit Recipients by Location	180
Average Benefit Payments	182
Schedule of Average Monthly Benefit Payments, All Retirees	190
Principal Participating Employers	192
Schedule of Participating Employers	196



2009 Legislative Session
House State Administration
January 9, 2009

Roxanne M. Minnehan, Executive Director
Montana Public Employee Retirement Administration

Public Employees' Retirement Board

- ❖ The Montana Public Employees' Retirement Board (Board) consists of seven members, appointed by the Governor for 5-year staggered terms.
- ❖ The Board has a duty to conform to "fundamental fiduciary duties of loyalty and impartiality" solely in the interest of the members and their beneficiaries.
- ❖ The Montana Public Employee Retirement Administration (MPERA) is the Board's staff.
- ❖ The pension trust funds are invested by the Montana Board of Investments (BOI).
- ❖ The Board and MPERA provide services to members and employers in 8 distinct defined benefit retirement plans and 2 defined contribution plans.
- ❖ In a Defined Benefit (DB) Retirement Plan the benefit is guaranteed based on a formula.
- ❖ In a Defined Contribution (DC) Retirement Plan the contribution is defined and the benefit is based on the member's account balance.
- ❖ In the DB plans, pension trust funds are well-funded when there is enough money in reserve to meet all expected future obligations to participants.
- ❖ The Montana Constitution, State Law and GASB require the retirement systems be funded on an actuarially sound basis.
- ❖ State Law Requires the Board to maintain a stable standard of living.

❖ Key Actuarial Terms

- **Normal Cost** – The cost assigned to a member that would meet the continuing costs of that particular benefit, if contributed each year starting from the date of membership. ***The average cost of membership***. The value of benefits expected to be received over the future working lifetime of current active members.
- **Actuarial Liability** – The assets required to pay off the benefit obligations already accrued in a pension plan by the current members and retirees.
- **Actuarial Value of Assets** – Market value of assets smoothed over four years.
- **Unfunded Actuarial Liability (UAL)** – The excess, if any, of the Actuarial Liability over the Actuarial Value of Assets.
- **Actuarial Assumed Rate of Return** – The actuary assumes that over the life of the plan the average annual rate of return will be 8%.

❖ Board-Proposed Legislation

- HB 12 – Requires Employer Contributions for Working Retirees (sponsored by Representative Franke Wilmer)
- HB 109 – General Revisions Bill (sponsored by Representative Chuck Hunter)
- HB 170 – Qualification Bill (sponsored by Representative Mike Menahan)

❖ Market Deterioration (Actuary Handout)

❖ Explore Solutions

- Current members and retirees have a contract right to the benefits in statue on their date of hire.
- Cut benefits for new hires
- Employer contribution increases



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January 6, 2009

VIA E:MAIL

Ms Roxanne Minnehan, Executive Director
Montana PERA

**Re: Estimated Impact of Market Value Losses
October 2008**

Dear Roxanne:

At your request, we have estimated the fiscal impact of investment losses incurred between the date of the most recent actuarial valuations (June 30, 2008) and the end of October 2008.

DATA, METHODS AND ASSUMPTIONS

We have developed this analysis based on the data, methods, and assumptions contained in the actuarial valuations of the Systems performed as of June 30, 2008. In preparing the valuation, we relied upon the financial information, membership data, and benefit provisions furnished by the System. Although we did not audit this data, we compared the data for this and the prior valuation and tested for reasonableness. Based on these tests, we believe the data to be sufficiently accurate for the purposes of our calculations. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised. Please refer to the valuation report for more details about the data, methods, assumptions, and plan provisions used.

In addition, we collected additional data from MPERA and performed additional computations as described below:

- We were provided with the fair market values for each System as of October 31, 2008 and the cash flows for the period from July 1 through October 31.
- We discounted the fair market values as of October 31 to June 30, 2008 using the actuarial assumed rate of 8.0% per year. This calculation had the effect of including the investment losses for the four months after the valuation date in the June valuation as if the losses occurred on the last day of June.
- We have not made any adjustment for non-investment actuarial gains or losses that may have emerged since the last valuation date, June 30, 2008, nor any investment-related gains or losses since the end of October. An investment "loss" is a net return (gross returns less investment and administrative expenses) less than the assumed rate of 8% per year.

RESULTS OF THE CALCULATIONS

The attached exhibits show the results of our analysis:

1 Fair Market Value of Assets

Based on the process described in this letter, the fair market values as of October 31, 2008 were discounted to the valuation date. Overall, the fair market values suffered losses of over \$1 billion from \$4.7 billion down to \$3.7 billion.

2 Funded Ratios (Actuarial Value of Assets)

The left column shows the funded ratios from the June valuations and the center column shows the adjusted funded ratios based on the investment losses through October. The asset smoothing method recognizes 25% of the loss immediately and defers the remaining loss to be recognized in future valuations.

3 Funded Ratios (Fair Market Value of Assets)

The left column shows the funded ratios from the June valuations on a market value basis and the center column shows the adjusted funded ratios based on the investment losses through October. All of the investment losses are recognized immediately in this calculation.

4 Amortization Periods (Actuarial Value of Assets)

The period to amortize the Unfunded Actuarial Liability is shown in this exhibit based on the actuarial value of assets. PERS and SRS show the most deterioration, and do not reflect the sunset of additional contributions under HB 131. The negative amortization period for JRS reflects the time to amortize the actuarial surplus.

5 Amortization Periods (Fair Market Value of Assets)

The period to amortize the Unfunded Actuarial Liability is shown in this exhibit based on the fair market value of assets.

We have developed this analysis based on the data, methods, and assumptions described above. These cost estimates are subject to the uncertainties of a regular actuarial valuation; the costs are inexact because they are based on assumptions that are themselves necessarily inexact, even though we consider them reasonable. Thus, the emerging costs will vary from those presented in this letter to the extent actual experience differs from that projected by the actuarial assumptions.

Milliman's work product was prepared exclusively for MPERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning MPERA's operations, and uses MPERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

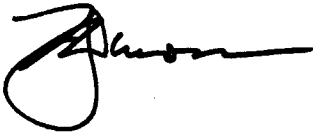
Ms. Roxanne Minnehan
January 6, 2009
Page 3

This analysis was prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Standards of Practice adopted by the Actuarial Standards Board of the American Academy of Actuaries. The undersigned are independent actuaries, Fellows of the Society of Actuaries, and Members of the American Academy of Actuaries, experienced in performing valuations for large public employee retirement systems, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Any distribution of this report must be in its entirety, including this cover letter, unless prior written consent is obtained from Milliman.

If you have any questions or need further information, please let me know.

Sincerely,



Mark O. Johnson, FSA, MAAA
Consulting Actuary

cc: Scott Miller
Pat Kahle

MOJ:j mrs:l:081601

Attachment

1 - Fair Market Value of Assets

<i>(\$millions)</i>	6/30	Adjusted	Change
PERS	\$3,853	\$3,019	\$ (834)
MPORS	200	158	(42)
GWPOORS	73	57	(16)
SRS	189	148	(41)
JRS	59	46	(13)
HPORS	96	75	(21)
FURS	195	153	(42)
VCFA	26	20	(6)
Total	\$4,691	\$3,676	\$(1,015)

Attachment to letter dated January 6, 2009

2 - Funded Ratios

Based on Actuarial Value of Assets

	Valuation	Adjusted	Change
PERS	90%	86%	- 4%
MPORS	65%	62%	- 3%
GWPORS	93%	89%	- 4%
SRS	98%	93%	- 5%
JRS	157%	151%	- 6%
HPORS	75%	71%	- 4%
FURS	72%	68%	- 4%
VCFA	84%	79%	- 5%

Attachment to letter dated January 6, 2009

3 – Funded Ratios

Based on Fair Market Value of Assets

	Valuation	Adjusted	Change
PERS	86%	67%	- 19%
MPORS	61%	48%	- 13%
GWPORS	88%	69%	- 19%
SRS	92%	72%	- 20%
JRS	149%	118%	- 31%
HPORS	71%	56%	- 15%
FURS	68%	53%	- 15%
VCFA	79%	61%	- 18%

Attachment to letter dated January 6, 2009

4 – Amortization Periods

Based on Actuarial Value of Assets

	Valuation	Adjusted	Change
PERS	24.8	49.4	24.6
MPORS	18.6	21.1	2.5
GWPORS	13.0	21.6	8.6
SRS	16.3	42.9	26.6
JRS	-31.1	-28.3	2.8
HPORS	17.4	21.5	4.1
FURS	11.3	13.1	1.8
VCFA	5.0	6.6	1.6

Attachment to letter dated January 6, 2009

5 – Amortization Periods

Based on Fair Market Value of Assets

	Valuation	Adjusted	Change
PERS	50.2	n/a	n/a
MPORS	21.4	34.9	13.5
GWPOORS	22.2	n/a	n/a
SRS	44.4	n/a	n/a
JRS	-28.2	-13.0	15.2
HPORS	21.5	49.1	27.6
FURS	13.3	22.1	8.8
VCFA	6.8	14.5	7.7

Attachment to letter dated January 6, 2009